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Student-Aid Experts Offer Advice to Colleagues on Weathering the Recession

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When people in higher education discuss how the recession might affect their institutions, the conversation often becomes gloomy or speculative. Both tendencies were on display last week at an admissions and financial-aid conference here, but there were also nuggets of practical advice—and even a few glimmers of hope.

The conference, "Aid in an Age of Uncertainty," was sponsored by the University of Southern California's Center for Enrollment Research, Policy, and Practice and held last Thursday and Friday.

In one session, financial-aid professionals suggested ways their colleagues might help students during the recession.

"Time and compassion" are two of the most important things a financial-aid office can offer right now, said Joseph A. Russo, director of student financial strategies at the University of Notre Dame. And one of the best ways to do that is by extending deadlines for tuition payments, he said.

Colleges could also consider giving their students no-interest or low-interest institutional loans, Mr. Russo said. In fact, they are essentially doing so if they extend tuition-payment deadlines.

Underused funds might also be leveraged, said Natala K. (Tally) Hart, head of the Economic Access Initiative at Ohio State University and the former financial-aid director there. Colleges might, for example, borrow against tightly restricted scholarship funds that could not be awarded and use that money to make institutional loans to students.

Mr. Russo said colleges that have seized the moment to ballyhoo new student-aid programs are making a mistake. "Refrain from making public announcements," he said. Amid economic uncertainty, Mr. Russo said, it is risky for a college to create expectations among students that it may not be able to sustain. That doesn't mean colleges shouldn't communicate with students about the aid they have available, he said.

Mr. Russo reminded listeners that most institutions represented in the room were destined to fail if they tried to match the financial-aid programs of colleges with incredibly large endowments.

He also encouraged his colleagues to avoid giving new aid to freshmen at the expense of upperclassmen and to focus more on retention. "If you're down 50 sophomores, isn't it as much a problem as if you're down 50 freshmen?" he asked.

One of the best ways to keep college affordable, he added, is to make sure students graduate on time.

Ms. Hart agreed that retention is key. She urged financial-aid offices to give returning students their award letters before they leave for the summer. She also suggested that colleges call both new and returning students over the summer to see if they are worried about paying for college in the fall.

The recession and the unusual spotlight it has put on financial-aid officers presents opportunities, panelists said.

Financial-aid officers can use this time to refocus on their public roles: working for early awareness, encouraging families to save for college, influencing public policy, and advocating for students, said Georgette R. DeVeres, associate vice president of admission and financial aid at Claremont McKenna College.

They can also use the recession as a springboard for internal changes. Mr. Russo said it is a good time for college to review their tuition-payment policies, how they package financial aid, and how they make institutional loans to their students.